

## Message Text

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15

ACTION EB-07

INFO OCT-01 EUR-12 EA-09 IO-13 ISO-00 FEA-01 AGRE-00  
CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05  
CIEP-02 SS-15 STR-04 ITC-01 TRSE-00 USIA-15 PRS-01  
SP-02 OMB-01 /119 W

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R 090701Z DEC 76

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 9470

INFO AMCONSUL BRISBANE

USDEL MTN GENEVA

AMEMBASSY LONDON

AMCONSUL MELBOURNE

USMISSION OECD PARIS

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

UNCLAS CANBERRA 8885

E.9. 11652: N/A

TAGS: ETRD, EFIN, EALR, AS

SUBJ: TARIFF CUTS ANNOUNCED

REF: CNABERRA 8766

1. MINISTER FOR BUSINESS AND CONSUMER AFFAIRS HOWARD ANNOUNCED  
DECEMBER 7 THAT THERE WILL BE NO GENERAL REDUCTION IN TARIFFS  
BUT THAT FOLLOWING TARIFF AND TRADE MEASURES WILL BE TAKEN:  
A. ELIMINATION OF BRITISH PREFERENTIAL MARGIN BY REDUCTION OF  
GENEAL TARIFF RATE ON ABOUT 700 ITEMS; B. REDUCTION OF BRITISH  
PREFERENTIAL MARGIN BY REDUCTION OF GENERAL TARIFF RATE ON ABOUT  
100 ADDITIONAL ITEMS; C. ELIMINATION OF BOTH BRITISH PREFER-  
ENTIAL AND GENERAL TARIFF RATES ON ABOUT 100 ITEMS; D. REMOVAL  
FROM DECEMBER 8 OF QUANTITATIVE RESTRICTIONS ON CBU PASSENGER  
MOTOR VEHICLES AND TARIFF QUOTAS ON CKD PASSENGER MOTOR  
VEHICLES; E. REMOVAL AS SOON AS TARIFF ARRANGEMENTS CAN BE  
MADE OF TARIFF QUOTAS ON GALVANIZED STEEL SHEET AND OF  
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TEMPORARY DUTY ON MONOCHROME TV RECEIVERS AND CERTAIN RELATED

ELECTRONIC COMPONENTS; F. REMOVAL OF "PRIMAGE" DUTIES INTRODUCED AS TEMPORARY REVENUE MEASURE IN 1930'S ON SOME ITEMS TO WHICH THEY STILL APPLY (PRIMAGE AT 3 PERCENT OR 7 PERCENT AD VALOREM APPLIES TO 350 ITEMS WHOSE FY 76 IMPORT VALUE WAS \$150 MILLION; COLLECTION WAS D\$8.5 MILLION).

2. CHANGES, EXCLUDING "F" ABOVE, WILL AFFECT 900 OUT OF 2,750 TARIFF ITEMS. IMPORTS OF THESE ITEMS TOTAL ABOUT A\$1,800 MILLION ANNUALLY.

3. REDUCTIONS ARE THOSE IDENTIFIED IN A JANUARY 1976 INDUSTRY ASSISTANCE COMMISSION (IAC) REPORT WHICH IDENTIFIED POSSIBLE TARIFF REDUCTIONS IN CONTEXT OF MULTILATERAL TRADE NEGOTIATIONS. USE OF THIS STUDY SOLVED PROCEDURAL DIFFICULTY CITED REFTEL BY WHICH IAC PRODUCT RECOMMENDATIONS MUST PRECEDE SELECTIVE TARIFF CUTS (IT ALSO WIPES OUT AUSTRALIAN MTN NEGOTIATING PACKAGE).

4. TARIFF REDUCTIONS WILL BE IMPLEMENTED AS SOON AS POSSIBLE, HOWARD ANNOUNCED, ALTHOUGH BECAUSE OF PROCEDURAL REQUIREMENTS NOT ALL CHANGES WILL BE COMPLETED UNTIL JANUARY 31, 1977.

5. HOWARD STATED THAT GOVERNMENT WILL REFER REMAINING PRIMAGE DUTIES TO IAC FOR REVIEW. SOME COMPLETED BUT UNIMPLEMENTED IAC REPORTS MAY ALSO BE RETURNED TO IAC FOR REASSESSMENT IN LIGHT OF DEVALUATION, AND ONGOING SECTOR-BY SECTOR TARIFF REVIEW WILL BE CONTINUED, WITH GOVERNMENT DECISIONS "TAKEN IN THE LIGHT OF THE IMPROVED COMPETITIVE POSITION OF AUSTRALIAN INDUSTRY..."

6. LIST OF AFFECTED ITEMS BY TARIFF NUMBER AND DESCRIPTION BECAME AVAILABLE TODAY. HOWEVER, NEW DUTIES AND EXTENT OF REDUCTIONS, AS WELL AS TRADE VALUES, WERE NOT INCLUDED IN RELEASE, WHICH CAME IN FORM OF BUREAU OF CUSTOMS NOTICE. DEPARTMENT OF OVERSEAS TRADE IS PRESENTLY ASSEMBLING THIS DATA, NECESSARY FOR ANALYSIS. GENERAL PRESS REACTION, BASED ON INTUITION MORE THAN ANALYSIS, HAS BEEN THAT CUTS ARE MORE COSMETIC THAN MEANINGFUL. THIS IS CERTAINLY CASE WITH REMOVAL OF MOTOR VEHICLE RESTRICTIONS, MINISTER HOWARD'S ANNOUNCEMENT OF THEIR REMOVAL WAS FORLLOWED BY A REAFFIRMA-  
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TION OF GOVERNMENT POLICY TO LIMIT AUTOMOBILE IMPORTS TO 20 PERCENT OF MARKET. RESTRICTIONS HAD BEEN IMPOSED WHEN MARKET FORCES THREATENED TO PUSH FIGURE ABOVE 20 PERCENT.

7. COPY OF CUSTOMS NOTICE BEING AIRMAILED SILLOWAY, COMMERCE IMMEDIATELY. EMBASSY HOPES TO TRANSMIT DETAILED DATA AND ADDITIONAL ANALYSIS SHORTLY. BECAUSE OF AUSTRALIAN OBLIGATIONS UNDER BILATERAL TRADE AGREEMENTS, DEPARTMENT OF OVERSEAS TRADE IS

GIVING PRIORITY ATTENTION TO COMPILATION AND ASSESSMENT OF  
TARIFF REDUCTIONS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INFLATION, DOLLAR, DEVALUATIONS, TARIFFS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Previous Handling Restrictions:** n/a  
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**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006